

**VO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF:** June 30, 2005

**ASSETS**

<b><u>Current Assets</u></b>	
101 Cash (Disclose on Schedule A)	\$58,607,281
102 Current Investments	\$0
103 Accounts Receivable (net) (Disclose on Schedule A)	\$3,894,684
104 Notes Receivable (current portion)	\$0
105 Prepaid Expenses	\$1,088,835
106 Other Current Assets (Disclose on Schedule A)	\$2,121,786
107 Total Current Assets	<u>\$65,712,586</u>
<b><u>Non Current Assets</u></b>	
108 Land	\$0
109 Building	\$0
110 Leasehold Improvements	\$938,961
111 Furniture and Equipment	\$13,042,263
112 Vehicles	\$0
113 Total Property and Equipment	<u>\$13,981,224</u>
114 Less: Accumulated Depreciation	<u>\$7,395,622</u>
115 Net Property and Equipment	<u>\$6,585,602</u>
116 Notes Receivable (net of current portion)	\$0
117 Performance Bond (Disclose on Schedule A)	\$0
118 Long Term Investments	\$0
119 Deposits	\$501,411
120 Other Noncurrent Assets (Disclose on Schedule A)	\$0
121 Total Noncurrent Assets	<u>\$7,087,013</u>
122 TOTAL ASSETS	<u><u>\$72,799,599</u></u>

**LIABILITIES AND NET ASSETS/EQUITY**

<b><u>CURRENT LIABILITIES</u></b>	
201 Incurred But Not Reported Claims (Disclose on Sch. A)	\$8,072,808
202 Reported But Unpaid Claims	\$712,152
203 Payable to ADHS (Disclose on Schedule A)	\$339,112
204 Other Amounts Payable to Providers	\$7,267,557
205 Trade Accounts Payable	\$3,175,648
206 Accrued Salaries and Benefits	\$6,121,011
207 Long-term Debt (current portion)	\$0
208 Deferred Revenue (Disclose on Schedule A)	\$0
209 Risk Pool Payable	\$0
210 Other Current Liabilities (Disclose on Schedule A)	\$8,057,286
211 Total Current Liabilities	<u>\$33,745,574</u>
<b><u>NONCURRENT LIABILITIES</u></b>	
212 Long-term debt (net of current portion)	\$0
213 Loss Contingencies (Disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities (Disclose on Schedule A)	\$224,227
215 Total Noncurrent Liabilities	<u>\$224,227</u>
216 TOTAL LIABILITIES	<u>\$33,969,801</u>
217 NET ASSETS/EQUITY	
Unrestricted Net Assets	\$38,829,798
Restricted Net Assets (Disclose on Schedule A)	\$0
218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$72,799,599</u></u>

**VO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF:**  
**Schedule A Disclosures**

June 30, 2005

**ASSETS:**

**Cash**

Unrestricted	\$58,607,281
Restricted	\$0
Total Cash	<u><u>\$58,607,281</u></u>

**Accounts Receivable**

**ADHS**

Program ID	Category ID
Current Year	
TXIX Child	-
TXIX CMDP	-
TXIX SMI	-
HIFA II SMI	-
TXIX GMHSA	-
HIFA II GMH	-
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	131,194
NTXIX/XXI SMI	2,460,846
Mental Health	82,234
Substance Abuse	189,952
Prevention Intervention	(196)
ADHS DOC	-
PASRR	13,800
HB2003 Child	-
HB2003 SMI	-
NTXIX/XXI SMI	Community Placement
Select Program	Identify category
Prior Year	
TXIX Child	-
TXIX CMDP	-
TXIX SMI	-
HIFA II SMI	-
TXIX GMHSA	-
HIFA II GMH	-
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	-
NTXIX/XXI SMI	-
Mental Health	-
Substance Abuse	-
Prevention Intervention	-
ADHS DOC	-
PASRR	-
HB2003 Child	-
HB2003 SMI	-
Select Program	Identify category

**Non-ADHS &/or Unrelated Business**

Current Year	
RxInnovations	439,234
Casa Buena	53,716
Non-HB2003 provider receivables	168,589
Rehabilitative Services Administration	-
Accrued interest receivable	138,422
Case management receivable	16,282

**LIABILITIES:**

**IBNR Claims Estimate**

Current Year	
FY 05	8,014,187
Prior Year(s)	
FY04	58,621
FY03	
Total IBNR	<u><u>\$8,072,808</u></u>

**Payable to ADHS (Detail of Line 203)**

Program ID	Category ID
Current Year	
Admin & Mgmt Gen	Sanctions
	339,112
Prior Year	
HIFA II SMI	Profit/Risk Corridor
	\$0
Admin & Mgmt Gen	Sanctions
	\$0
Total Payable to ADHS	<u><u>\$339,112</u></u>

**Deferred Revenue from: (Detail of Line 208)**

Program ID	Category ID
ADHS	
Current Year	
TXIX Child	\$0
TXXI Child	\$0
HIFA II SMI	\$0
HIFA II GMH	\$0
ADHS DOC	
Prior Year	
HB2003 Child	\$0
HB2003 SMI	\$0
Select Program	Identify Category
Non-ADHS &/or Unrelated Business	
Current Year	
Identify Program	Identify Category
Identify Program	Identify Category
Prior Year	
Identify Program	Identify Category

**Total Deferred Revenue** \$0

**Other Current Liabilities (Detail of Line 210)**

Identify Other Current Liabilities	
Accrued audit fees	80,264
Casa Buena Payable	-
Deferred Lease Liability	515,617
Due to affiliates	3,571,055
Income tax payable to parent	(512,831)
Insurance	-
Malpractice Reserve	4,374,609
Sanctions and penalties payable	-
Miscellaneous	28,571

**Total Other Current Liabilities** \$8,057,286

**Loss Contingencies (Detail of Line 213)**

Identify Loss Contingencies	
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	HB2003 provider receivables	-	<b>Total Loss Contingencies</b>	<b>\$0</b>
	Medicare receivable	161,035		
	Lab Receivables	13,113	<b>Other Noncurrent Liabilities (Detail of Line 214)</b>	
	Employee receivables	26,463	Identify Other Noncurrent Liabilities	
			Deferred tax - noncurrent	224,227
Prior Year				
	RxInnovations	-	<b>Total Other Noncurrent Liabilities</b>	<b>\$224,227</b>
	Casa Buena	-		
	Non-HB2003 provider receivables	-		
	Rehabilitative Services Administration	-	<b>Restricted Net Assets (Detail of Line 217)</b>	
	Accrued interest receivable	-	Identify Restricted Net Assets	
	Case management receivable	-		
	Medicare receivable	-	<b>Total Restricted Net Assets</b>	<b>\$0</b>
	Lab Receivables	-		
	Employee receivables	-		

<b>Allowance for Doubtful Accounts</b>	
<b>Total Accounts Receivable</b>	<b>3,894,684</b>

<b>Other Current Assets (Detail of Line 106)</b>	
Deferred tax asset	2,121,786

<b>Total Other Current Assets</b>	<b>\$2,121,786</b>
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<b>Other Noncurrent Assets (Detail of Line 120)</b>	
Identify Other Non Current Assets	

<b>Total Other Noncurrent Assets</b>	<b>-</b>
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<b>PERFORMANCE BOND:</b>	
Type of Security & Amount -	Surety Bond \$45,167,606

#### **Adjustments:**

Disclose and describe any adjustments made to previously submitted financial statements, including those that affect the current period financial statements.

#### **Payables to ADHS - Other\* Category**

Disclose items recorded as "Other" in the category for Payable to ADHS Section

#### **Explain ≥10% fluctuation in account from prior quarter**

Describe fluctuation in each account greater than 10% from prior quarter.

- 101. Cash - Increased 25.2% due to payments from ADHS for A/R and cash contributions by parent
- 103. Accounts receivable, net - Decreased 62.5% due to ADHS payments
- 105. Prepaid expenses - Decreased 41.0% due to normal recognition of expense
- 110. Leasehold improvements - Increased 15.0% due to remodeling the centrally located physician's recovery center and other site improvements
- 111. Furniture and equipment - Increased 20.6% due to remodeling the centrally located physician's recovery center and other site improvements
- 202. Reported but unpaid claims - Increased due to normal claims processing timing
- 203. Payable to ADHS - Decreased 15.8% due to recoupments
- 204. Other amounts payable to providers - Increased 18.5% due to normal block payment activities
- 205. Trade accounts payable - Increased 11.2% due to normal payables activities
- 208. Deferred revenue - Decreased 100.0% due to transferring deferred revenue balances to ADHS payables
- 210. Other current liabilities - Increased 216.6% due to intercompany balances payment timing

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STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : June 30, 2005

		Net Assets /			
				Retained	
		Initial Capital	Additional Capital	Earnings	Total
Beginning Balance:	July 1, 2004	10,000,000	13,909,952	10,581,755	34,491,707
* Net Surplus / Net Earning for the period ended:	June 30, 2005	-	-	8,738,089	8,738,089
Dividends Declared			-	(6,400,000)	(6,400,000)
** Prior Period Adjustments		-	2,000,000	-	2,000,000
Ending Balance:	June 30, 2005				-
		\$ 10,000,000	\$ 15,909,952	\$ 12,919,844	\$ 38,829,796

\* Net of dividends declared

\*\* Disclosure of Prior Period Adjustments

Parent put \$2,000,000 into capital in June 2005

## June 30, 2005

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
401	Revenue Under ADHS Contract																							
a	ADHS Revenue	68,220,102	33,691,821	5,098,790	7,405,945	4,275,682	1,774,840	178,348,855	3,476,298	79,686,137	1,952,941	176,208	468,849	70,479,147	681,573	2,202,505	24,864,948	6,104,465	85,750	1,837,677	0	490,832,533	0	490,832,533
b	ADHS Revenue - Qualifying Incentive Payments																					0	0	0
402	Specialty & Other Grants*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
403	Client Fees (Co-pays)	0	0	0	0	0	0	2,366	0	2,691	0	0	0	26	0	110	42	0	0	0	0	0	5,235	0
404	Third Party Recoveries																							
a	Medicare	0	0	0	0	0	0	337,189	0	245,515	0	0	0	2,261	0	9,221	714	0	0	0	0	594,900	0	594,900
b	Other Insurance	0	0	0	0	0	0	24,165	0	24,366	0	0	0	0	0	1,507	201	0	0	0	0	50,240	0	50,240
405	Interest Income																					0	1,285,320	1,285,320
406	Other Funding Sources - Non ADHS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,751	60,751	0	60,751
407	Unrelated Business Activities*																				0	0	0	0
408	TOTAL REVENUE	68,220,102	33,691,821	5,098,790	7,405,945	4,275,682	1,774,840	178,712,576	3,476,298	79,958,710	1,952,941	176,208	468,849	70,481,434	681,573	2,213,343	24,865,905	6,104,465	85,750	1,837,677	60,751	491,543,659	1,285,320	492,828,979

Treatment Services																										
a	Counseling																									
1	Counseling, Individual	10,667,310	3,240,188	418,342	1,011,120	812,854	0	6,192,467	81,999	1,973,483	93,944	39,314	0	7,629,663	85,252	100,119	1,780,652	0	0	0	0	0	0	34,126,707	0	34,126,707
2	Counseling, Family	6,474,647	1,630,912	296,517	500,899	495,198	0	207,588	1,160	103,247	2,631	6,295	0	299,335	5,933	5,968	8,296	0	0	0	0	0	0	10,038,626	0	10,038,626
3	Counseling, Group	459,712	100,117	6,474	75,910	40,954	0	845,053	10,667	302,095	9,635	7,026	0	3,258,637	13,067	35,785	1,254,798	0	0	0	0	0	0	6,419,929	0	6,419,929
b	Counselation, Assessment & Specialized Testing	4,128,275	567,210	177,559	182,954	312,352	0	1,570,110	41,888	844,476	12,358	27,664	0	4,790,896	55,008	269,613	959,987	0	0	0	0	0	0	13,939,351	0	13,939,351
c	Other Professional	41,373	242	0	924,766	2,413	0	29	997	1,385,016	571	0	0	0	1,661	70,447	2,054,859	0	0	0	0	0	0	4,482,374	0	4,482,374
	<b>Total Treatment Services</b>	21,771,317	5,538,668	898,892	2,695,649	1,663,771	0	8,815,246	136,710	4,608,318	119,139	80,299	0	15,978,530	160,922	481,933	6,057,593	0	0	0	0	0	0	69,006,987	0	69,006,987
502	<b>Rehabilitation Services</b>																									
a	Living Skills Training	1,699,011	583,392	175,234	71,671	51,236	0	5,557,272	162,920	1,744,421	55,935	3,398	0	437,038	4,706	3,868	8,283	0	0	0	0	0	0	10,558,384	0	10,558,384
b	Cognitive Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Health Promotion	9,630	3,790	19,231	87	703	0	278,963	6,552	85,163	5,600	0	0	75,631	64	616	3,631	0	0	0	0	0	0	489,660	0	489,660
d	Supported Employment Services	7,472	10,687	376	511	0	0	3,925,823	342,638	1,514,340	235,383	845	0	593,318	6,272	4,948	35,375	0	0	0	0	0	0	6,673,503	0	6,673,503
	<b>Total Rehabilitation Services</b>	1,716,112	597,869	194,842	72,269	51,939	0	9,762,058	512,109	3,343,924	296,914	4,243	0	1,105,968	11,042	4,948	47,288	0	0	0	0	0	0	17,721,547	0	17,721,547
503	<b>Medical Services</b>																									
a	Medication Services	1,225	0	0	0	0	0	877,475	26,413	246,119	7,412	4,160	0	2,754,747	5,181	7,850	1,393,793	0	0	0	0	0	0	5,324,174	0	5,324,174
b	Medical Management	2,966,220	416,005	313,775	202,434	223,960	0	6,703,248	209,955	3,231,566	78,092	24,138	0	3,243,569	63,793	55,606	174,802	0	0	0	0	0	0	17,907,163	0	17,907,163
c	Laboratory, Radiology & Medical Imagin	67,176	9,474	6,567	5,105	4,172	0	624,195	21,060	364,057	8,409	1,339	0	216,480	1,994	3,861	32,436	0	0	0	0	0	0	1,366,322	0	1,366,322
d	Electro-Convulsive Therapy	14,679	0	0	0	0	0	122,128	0	172,116	0	0	0	6,023	0	0	191	0	0	0	0	0	0	315		

VO  
STATEMENT OF ACTIVITIES  
YEAR TO DATE AS OF:

June 30, 2005

\*DISCLOSE ON SCHEDULE A

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL	
Administrative Expenses:																									
601	Salaries	1,438,509	701,047	108,818	156,205	90,313	0	3,765,828	73,552	1,681,076	41,782	3,718	0	1,488,164	14,399	46,465	525,511	128,895	1,809	38,845	0	10,304,937		10,304,937	
602	Employee Benefits	424,538	206,896	32,115	46,100	26,653	0	1,111,386	21,707	496,126	12,331	1,097	0	439,193	4,249	13,713	155,091	38,040	534	11,464	0	3,041,234		3,041,234	
603	Professional & Outside Services	979,400	477,304	74,088	106,351	61,489	0	2,563,942	50,078	1,144,550	28,447	2,532	0	1,013,208	9,803	31,635	357,791	87,757	1,231	26,447	0	7,016,054		7,016,054	
604	Travel	28,552	13,915	2,160	3,100	1,793	0	74,745	1,460	33,367	829	74	0	29,538	286	922	10,431	2,558	36	771	0	204,536		204,536	
605	Occupancy	166,969	81,371	12,631	18,131	10,483	0	437,103	8,537	195,124	4,850	432	0	172,732	1,671	5,393	60,997	14,961	210	4,509	0	1,196,103		1,196,103	
606	Depreciation	246,558	120,158	18,651	26,773	15,479	5,133	645,456	12,607	288,133	7,161	637	1,356	255,069	2,468	7,964	90,072	22,092	310	6,658	0	1,772,736		1,772,736	
607	All Other Operating*	1,830,785	892,220	138,492	198,802	114,940	101,358	4,792,755	93,610	2,139,499	53,176	4,732	26,775	1,893,981	18,326	59,136	668,816	164,044	2,302	49,438	0	13,243,185		13,243,185	
608	Subtotal ADHS Administrative Expenses	5,115,311	2,492,910	386,955	555,463	321,150	106,490	13,391,216	261,551	5,977,874	148,577	13,222	28,131	5,291,884	51,203	165,228	1,868,709	458,347	6,431	138,133	0	36,778,785	0	36,778,785	
650	Non ADHS Administrative Expenses*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	449,861	449,861	
651	Unrelated Admin. Expense*																					0		0	
652	Subtotal Administrative Expense	5,115,311	2,492,910	386,955	555,463	321,150	106,490	13,391,216	261,551	5,977,874	148,577	13,222	28,131	5,291,884	51,203	165,228	1,868,709	458,347	6,431	138,133	0	36,778,785	449,861	37,228,646	
701	Unrelated Business Expenses*																					0		0	
790	Income Tax Provisions																								
a	ADHS Income Tax Provision	1,247,298	700,613	245,892	97,539	94,147	(113,106)	2,290,672	(1,062,695)	(802,191)	30,597	(23,872)	15,877	676,383	55,045	(737,209)	1,952,846	81,375	0	5,685	0	4,754,895	0	4,754,895	
b	Non ADHS Income Tax Provision	0	0	0	0	0	0	145,488	0	109,029	0	0	0	915	0	4,335	383	0	0	0	23,085	0	283,236	317,472	600,708
799	Subtotal Income Tax Provision	1,247,298	700,613	245,892	97,539	94,147	(113,106)	2,436,160	(1,062,695)	(693,162)	30,597	(23,872)	15,877	677,298	55,045	(732,874)	1,953,229	81,375	0	5,685	23,085	5,038,131	317,472	5,355,603	
800	TOTAL EXPENSES	66,185,037	32,548,715	4,697,600	7,246,802	4,122,075	1,959,384	174,737,789	5,210,169	81,089,660	1,903,021	215,156	442,944	69,376,370	591,762	3,409,085	21,679,058	5,971,698	85,750	1,828,402	23,085	483,323,557	767,333	484,090,890	
801	INC(DEC) IN NET ASSETS/EQUITY	2,035,065	1,143,106	401,190	159,143	153,607	(184,544)	3,974,787	(1,733,871)	(1,130,950)	49,920	(38,948)	25,905	1,105,064	89,811	(1,195,742)	3,186,847	132,767	0	9,275	37,666	8,220,102	517,987	8,738,089	

\*Disclose on Schedule A

## June 30, 2005

VO: Strmmt Act Sch A

TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
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**ADJUSTMENTS**  
(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)

**Analysis:**  
(Compare prior quarter activity to current quarter activity for each column [program] and each row major category of service.)  
Support services to children increased significantly in the fourth quarter due to three factors. First, as the twelve month look-back period VO uses rolled forward three months, it captured a more contemporaneous mix of services than the prior quarter. Also, the roll forward ceased to look back at the most complete claims activities which weighted the allocated costs more towards service activities that had rapid submission cycles, ie fee-for-service arrangements. The net result is that the variances created by these structural changes are leveraged in the most recent quarter. Second, the mix of residential services are shifting from RTC and group home services to therapeutic foster care, and as such, shifting from Title XIX Children to Title XIX CMDP. This trend has been increasing over the past four to six months. Finally, children have been shifting from Non-Title XIX to Title XIX and some these eligibility changes are retroactive.

Treatment services, medical services, and support services increased to adult consumers for some of the same structural reasons listed above. Other major factors driving changes are increased physician encounters due to prescriber increases at the case management sites and providers, increasing single case agreements to purchase out-of-network care for unmet needs, and ongoing provider adjustments needed to maintain required service levels to adult consumers. Additionally, residential services are increasing for adults as more consumers are treated outside of inpatient settings.

Finally, total costs are significantly increased over the prior quarters as evidenced by the net loss for the quarter ended June 30, 2005. Items such as the corrective action plan and the Jason K lawsuit are applying significant pressures to medical expense, causing increases to many categories quarter over quarter.



VO

## STATEMENT OF CASH FLOWS

YEAR TO DATE FOR PERIOD ENDED:

June 30, 2005

### CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	8,738,090
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	1,794,419
Changes in Operating Assets and Liabilities	
<b>(Increases)/Decreases in Assets:</b>	
Current Investments	-
Receivables	21,157,781
Inventory & Prepaid Expenses	(258,825)
Interest Receivable	(117,265)
Deposits	(157,131)
Other	(1,172,470)
<b>Increases/(Decreases) in Liabilities:</b>	
IBNR	1,366,437
RBUC	(17,054)
Accounts Payable to ADHS	(41,545)
Accounts Payable to Providers	235,156
Interest Payable	-
Trade Accounts Payable	1,533,025
Accrued Salaries & Benefits	1,475,756
Other Current Liabilities	(5,403,754)

<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<hr/> 29,132,621
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### CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property & Equipment	-
Purchases of Property & Equipment	(6,260,785)
Proceeds from Sales of Investments	-
Purchase of Investments	-

<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<hr/> (6,260,785)
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### CASH FLOWS FROM FINANCING ACTIVITIES:

Acquisition of Debt (Describe on Schedule A)	2,000,000
Payment of Lease Obligations	-
Payment of Other Debts (Describe on Schedule A)	(6,400,000)

<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<hr/> (4,400,000)
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<b>NET INCREASE/(DECREASE) IN CASH</b>	18,471,836
<b>BEGINNING CASH</b>	<hr/> 40,135,445
<b>ENDING CASH BALANCE *</b>	<hr/> <hr/> 58,607,281

**\*NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

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**STATEMENT OF CASH FLOWS**

**YEAR TO DATE FOR PERIOD ENDED:** June 30, 2005

**Schedule A Disclosure**

**Describe:**

1. Sources and amounts of cash received for other grants.

2. Underlying transactions for acquisition of debt.

(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)

<b>Capital infusion from parent company</b>	2,000,000
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3. Underlying transactions for retirement of debt.

(Debtor, amount paid off.)

4. Cash Flows From Financing Activities - Payment of Other Debt

<b>Dividends declared and paid</b>	6,400,000
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5. Supplemental data or non-cash investing and financing activities, gifts, etc.